

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 9535-J
LITTLE GAS COMPANY, INC.)	

O R D E R

On September 17, 1986, the Commission issued its Order in Case No. 9535 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 10, 1989, Mike Little Gas Company, Inc. ("Mike Little") notified the Commission that its wholesale cost of gas would be increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective January 1, 1989. Mike Little submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mike Little's notice of January 10, 1989 set out certain revision in rates which Mike Little proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$7,628 or 13.33 cents per

Mcf. In computing the amount of increase, Mike Little incorrectly used the gas cost per Mcf set out in Case No. 9535-I which was dismissed and which rates were never approved.

(2) Kentucky West filed an application for increased rates to become effective January 1, 1989 with the Federal Energy Regulatory Commission. These rates are subject to refund.

(3) KRS 278.180 requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the required period from 30 days to not less than 20 days upon showing of good cause. Reductions in rates will be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice providing the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause. In no case, however, shall the effective date be made prior to the actual effective date of the supplier. Mike Little included a request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 20 days after Mike Little's notice, or January 30, 1989.

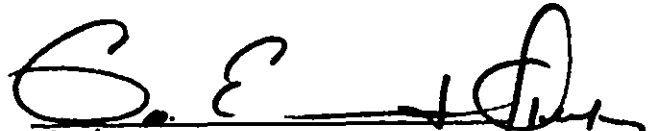
(4) Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9535 dated September 17, 1986 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after January 30, 1989, subject to refund.


IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after January 30, 1989, subject to refund.

Done at Frankfort, Kentucky, this 30th day of January, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9535-J DATED 1/30/89

The following rates and charges are prescribed for the customers served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf - Minimum Bill	\$5.9698 Per Mcf
All Over 1 Mcf	5.7527 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mike Little Gas Company, Inc. shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.7525 per Dth

*Including \$0.0172 Gas Research Institute Funding Charge